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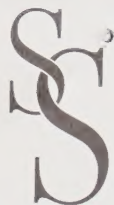
808 - 602 WEST HASTINGS STREET
VANCOUVER 2, B.C.



SILVER
STANDARD
MINES

SEMI-ANNUAL REPORT

NOVEMBER 15, 1968



SILVER STANDARD MINES LTD.

Non-Personal Liability

SEMI-ANNUAL REPORT

November 15, 1968

To the Shareholders:

With the advent of fall, and at a time of the year when exploration crews are normally returning from the field, it is gratifying to report that Silver Standard is busily engaged on two important projects. Underground exploration at our silver property west of Smithers will continue through the winter. Drilling at the new copper-molybdenum project at Ox Lake will be interrupted only for the most severe winter weather.

The rapid progress being made in the development of the new silver prospect is due in part to its extremely favourable location adjacent to the Northern C.N. rail line and the Northern Trans-Provincial Highway. Two adits are being driven on the ore zone and the initial 1500-foot underground program is approximately one-third completed. In addition, a new surface diamond drill program recently has been initiated. It is anticipated that this drilling will add strike length to the mineralized zone and provide information for the exploration of the vein below the level of the present underground workings.

To date, the strong silver-bearing structure has been opened up in excess of 400 feet on strike and for about 300 feet down dip. It is wide open for extension in all directions. The vein-shear normally consists of one or more bands of high-grade mineralization, with lower-grade material occurring between the high-grade bands and in foot-wall and hangingwall quartz-carbonate zones. The relatively flat dips combined with good widths of mineralization suggest that some form of trackless mining will be employed for ore extraction.

Late in August prospectors employed by the Sweeney Syndicate found good copper-molybdenum mineralization at Ox Lake, a small body of water south of Tahtsa Reach in Central B.C. Silver Standard and American Smelting & Refining Company are equal partners. The Tahtsa Lake

road provides access to within a few miles of the new property, and a bulldozer and diamond drill were moved in immediately after the initial discovery was made. Seven holes that have been completed confirm the existence of important mineralization over a considerable area. It is apparent that a large amount of money and effort will be expended to test the potential of the Ox Lake showings.

In addition to the Ox Lake property, Sweeney Syndicate prospectors made other significant discoveries that will require following up next season.

Hecla Operating Company is carrying out a diamond drill program at Liard Copper's big copper-moly deposit south of Telegraph Creek, B.C. Silver Standard holds 65 percent of the issued shares of Liard Copper Mines. At the time this report is being written Hecla has not yet completed this year's work, and indeed has made arrangements to move a larger drill onto the property. Several holes have been drilled in excess of 1500 feet, and the latest hole completed, No. 36, went to a record 2002 feet. Hecla to date has confirmed and extended the better sections that were intersected in previous drilling.

Also in Northwestern B.C., the ambitious program contemplated for Nickel Mountain Mines awaits conclusion of a satisfactory financial arrangement.

Shareholders have recently been given the opportunity to increase their holdings in Silver Standard Mines through a rights offering. Initial indications are that the offering is being very well received. Shareholders are reminded that the rights expire at the close of business November 29, 1968.

On behalf of the Board of Directors,

"R. W. WILSON"
President

SOURCE AND APPLICATION OF FUNDS

for six months ending September 30, 1968
with comparative figures for six months ending September 30, 1967

SOURCE OF FUNDS:	1968	1967
Sale of Treasury Shares	\$ 31,350.00	\$
Interest Income	29,940.26	30,803.56
Royalty Income	7,608.78	19,249.35
Management Income	49,103.42	50,780.04
Sundry Income & Equipment Rentals..	9,489.65	1,923.52
Sale of Supplies & Equipment	2,231.17	381.60
Jedway Iron Ore Ltd. - Equity Pmt.....	13,608.30	28,560.74
Payments received on Chattel Mtg....	7,600.00	2,993.62
Sale of Investments	39,255.00	2,110.00
Recovered Expenditures	2,861.97
Receipts - Uranium Joint Venture	50,000.00
	<u>\$240,186.58</u>	<u>\$139,664.40</u>

APPLICATION OF FUNDS:	1968	1967
Operating Expense	\$ 83,198.71	\$ 75,840.51
General Exploration	13,378.61	16,072.84
Shares of Associated Companies	32,500.00
Mining Properties - Development	126,770.11	86,377.16
Equipment	3,696.86	500.00
Advances to Associated Companies.....	74,011.02	67,292.86
Participation in Uranium Exploration.....	10,000.00
	<u>\$311,055.31</u>	<u>\$278,583.37</u>
Decrease in Working Capital	<u>\$ 70,868.73</u>	<u>\$138,918.97</u>

OPERATIONS

INCOME:	1968	1967
Interest Income	\$ 29,940.26	\$ 30,803.56
Royalty Income	7,608.78	19,249.35
Management & Engineering Services.....	49,103.42	50,780.04
Sundry Income - rentals, etc.	9,489.65	1,923.52
	<u>\$ 96,142.11</u>	<u>\$102,756.47</u>

EXPENSES:	1968	1967
Operating Costs	\$ 83,198.71	\$ 75,840.51
General Exploration	13,378.61	16,072.84
	<u>\$ 96,577.32</u>	<u>\$ 91,913.35</u>

NET INCOME/LOSS	\$ (435.21)	\$ 10,843.12
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No depreciation included in operating costs.

No income taxes are payable.